

## Message Text

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ACTION IO-13

INFO OCT-01 EUR-12 EA-07 ISO-00 CIAE-00 COME-00 EB-07  
INR-07 LAB-04 NSAE-00 SIL-01 AF-10 ARA-06 NEA-10  
L-03 AID-05 HEW-04 AGRE-00 CU-02 SS-15 NSC-05  
PA-01 USIA-06 PRS-01 OMB-01 /121 W  
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R 261710Z MAY 77

FM USMISSION GENEVA  
TO SECSTATE WASHDC 7706  
INFO AMEMBASSY THE HAGUE  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY CANBERRA  
AMEMBASSY LONDON  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY STOCKHOLM  
AMEMBASSY TOKYO  
USMISSION USUN NEW YORK

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E.O. 11652: N/A  
TAGS: AORG, UN  
SUBJECT: GENEVA GROUP MEETING MAY 25: FOLLOW-UP ON THE NEXT  
STEPS DECISION

SUMMARY: THE GENEVA GROUP (GENERAL) MET MAY 25 IN RESPONSE  
TO THE MARCH 30 CONSULTATIVE LEVEL DECISION ON "NEXT STEPS"  
AND COMPARED VIEWS, ALTHOUGH INCONCLUSIVELY, ON SETTING  
INDICATIVE TARGET FIGURES FOR ILO, WHO, FAO, AND UNESCO.  
REPORTS FROM CAPITALS MADE CLEAR THAT ANALYSIS OF THE  
PROGRAMS OF THESE ORGANIZATIONS IN CAPITALS WAS STILL  
HIGHLY IMPERFECT, BUT CONSIDERABLE INTEREST WAS EXPRESSED  
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IN THE CANADIAN PAPER ON THIS SUBJECT WHICH HAD BEEN  
CIRCULATED AT THE CONSULTATIVE LEVEL MEETING. AS A RESULT  
OF THE MAY 25 EXCHANGE, FURTHER MEETINGS WERE AGREED  
UPON (A) MAY 31 TO CONSIDER ILO DIRECTOR GENERAL  
BLANCHARD'S PROPOSALS ON ILO TECHNICAL COOPERATION, (B)  
JUNE 8 TO CONSIDER THE FEASIBILITY OF EXTRACTING A  
"CHECKLIST" FROM THE CANADIAN PAPER FOR USE IN EXAMINING

PROGRAMS OF ORGANIZATIONS, (C) A MEETING IN THE FIRST HALF OF JULY OF EXPERTS FROM CAPITALS ON THE SUBSTANCE OF THE CANADIAN PAPER LOOKING TOWARD A GENEVA GROUP PRESENTATION TO SECRETARIES-GENERAL INDICATING DATA WHICH SHOULD BE PRESENTED HENCEFORTH IN PROGRAM BUDGET DOCUMENTATION. END SUMMARY.

1. INDICATIVE TARGET FIGURE. GENEVA GROUP EXCHANGES MARCH 25 DIFFERENTIATED NATIONAL POSITIONS INTO ROUGHLY FOUR GROUPINGS: THE US, ITALY, AND JAPAN WERE PREPARED TO ACCEPT A 1980-81 PAUSE (ZERO REAL GROWTH) FOR CONSOLIDATION IN THE ILO, WHO, FAO, AND UNESCO; THE FRG, BELGIUM, FRANCE AND THE UK WERE PREPARED TO MOVE IN THIS DIRECTION BUT BELIEVED THE APPLICATION NEEDED TO BE SELECTIVE, COULD NOT APPLY AS ZERO GROWTH ACROSS THE BOARD, AND PROBABLY SHOULD FALL OVERALL IN THE RANGE OF 1-2 PERCENT REAL GROWTH; THOUGH UNSPECIFIC, SWITZERLAND, AUSTRIA, AND CANADA APPEARED TO TAKE A SOMEWHAT MORE GENEROUS VIEWPOINT; THE NETHERLANDS AND SWEDEN WERE THE ONLY TWO OF THE 12 MEMBERS OF THE GENEVA GROUP WHO DECLINED TO BE ASSOCIATED AT THIS TIME WITH ANY SORT OF INDICATIVE TARGET FIGURE APPROACH. WHILE THERE WAS AGREEMENT AMONG THE OTHER 10 ABOUT THE DESIRABILITY OF A "PAUSE FOR CONSOLIDATION" THE MAJORITY OPINION AMONG THEM WAS THAT THIS PAUSE WOULD HAVE TO BE EFFECTED AT MORE THAN A "ZERO REAL GROWTH" LEVEL TO BE SALABLE. ON THE OTHER HAND, THE REAL GROWTH CONTEMPLATED FOR THESE ORGANIZATIONS BY MOST OF THE GENEVA GROUP PARTICIPANTS WAS ONLY IN THE 1-2 PERCENT RANGE.

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2. THE MOST COGENT RESPONSE TO THE US PROPOSAL CAME FROM THE FRG. WHILE ENTIRELY SUPPORTIVE OF THE CONCEPT "IN PRINCIPLE", THE FRG EMPHASIZED THE IMPORTANCE OF OPENING A DIALOGUE WITH OTHER GROUPS, AS WELL AS WITH THE SECRETARIATS, AND OF AVOIDING LOADED LANGUAGE, WITH RESPECT TO "ZERO GROWTH", A "FREEZE" OR A "MORATORIUM". THIS CAUTIONARY CONSIDERATION ABOUT THE IMPORTANCE OF MAINTAINING A DIALOGUE AND AVOIDING PROVOCATIVE PRESENTATION WAS SUPPORTED BY MANY OF THOSE WHO SPOKE.

3. FOLLOWING A US PRESENTATION WHICH DISCUSSED BY WAY OF ILLUSTRATION THE WAY WHO BUDGET LEVELS INITIALLY ARE ARRIVED AT WITHIN THE SECRETARIAT, REALIZATION BEGAN TO EMERGE IN THE INTERVENTIONS WHICH FOLLOWED THAT BUDGET LEVELS OF SPECIALIZED AGENCIES ARE IN FACT, BEING ESTABLISHED BY SECRETARIES-GENERAL ON AN "INDICATIVE TARGET FIGURE" BASIS AND THAT, IN THIS RESPECT, THE PROPOSED GENEVA GROUP APPROACH WAS A RATIONAL ONE. (THE NETHERLANDS REPRESENTATIVE SAID THAT THIS WAS A NEW

REALIZATION TO HIM, WHICH HE WOULD WISH TO PUT BACK TO THE HAGUE.) NEVERTHELESS, CONSENSUS COULD NOT BE REACHED ON GENEVA GROUP INDICATIVE TARGET FIGURES FOR THE FOUR ORGANIZATIONS, AND IT WAS AGREED, THEREFORE, THAT CAPITALS WOULD BE INFORMED OF THE DIVERGENCIES IN VIEWS WHICH HAD BEEN EXPRESSED (PARA 1 ABOVE). CONSIDERATION OF WHETHER A CO-CHAIRMEN'S DEMARCHE TO WHO WOULD BE IN ORDER ALONG LESS PRECISE LINES REFLECTING THE DEGREE OF CONSENSUS WHICH HAD BEEN FOUND ENDED INCONCLUSIVELY.

4. COORDINATED ANALYSIS IN CAPITALS. AN EXCHANGE ON PROGRAM ANALYSIS AS NOW CONDUCTED IN THE CAPITALS WAS BRIEF BUT REVEALING. BONN AND TOKYO REPORTED THAT THEY HAVE BEEN UNABLE TO CONDUCT PROGRAM ANALYSES ON THE BASIS OF THE DATA PRESENTED. THE HAGUE HAS ATTEMPTED THIS BUT WITH "DISMAL" RESULTS. OTTAWA, ON THE OTHER HAND, IS DETERMINED TO GET ON WITH PROGRAM ANALYSIS AND HAS MADE LIMITED OFFICIAL USE

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INTERNAL GOC ARRANGEMENTS FOR DOING SO. BASED UPON THE EXCELLENT TALKING POINTS PROVIDED BY DR. DE CAIRES (HEW) WE REPORTED ON THE US EXPERIENCE AND THE FRUSTRATIONS OF DEALING WITH OUTDATED DATA. WE STRESSED, MOREOVER, THAT THE NEW WHO APPROACH TO BUDGETS STARTS OUT WITH A SPENDING MARK ON THE BASIS OF WHICH PROGRAMS ARE SUBSEQUENTLY DEVELOPED.

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ACTION IO-13

INFO OCT-01 EUR-12 EA-07 ISO-00 AF-10 ARA-06 NEA-10  
CIAE-00 COME-00 EB-07 INR-07 LAB-04 NSAE-00  
SIL-01 L-03 AID-05 HEW-04 AGRE-00 CU-02 SS-15  
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-----261901Z 060041 /62

R 261710Z MAY 77

FM USMISSION GENEVA

TO SECSTATE WASHDC 7707

INFO AMEMBASSY THE HAGUE

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA  
AMEMBASSY LONDON  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
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AMEMBASSY STOCKHOLM  
AMEMBASSY TOKYO  
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5. COMMENTING NEGATIVELY UPON THE NETHERLANDS' DETERMINATION THAT INDICATIVE TARGET FIGURES SHOULD RESULT FROM PROGRAM ANALYSIS, AND NOT BE ARRIVED AT INITIALLY AND ABSTRACTLY, THE CHAIRMAN (UK) REMARKED THAT IT WAS DIFFICULT TO SEE HOW AN ANALYSIS OF PAST OPERATION COULD BE EXPECTED TO REVEAL INDICATIVE FUTURE LEVELS. (THIS ANALYSIS SERVES OTHER PURPOSES.) SOME-

WHAT DEFENSIVELY THE NETHERLANDS REPRESENTATIVE ACKNOWLEDGED THAT THE PRESENT GENEVA GROUP INITIATIVE HAD HAD THE EFFECT IN THE HAGUE OF OPENING UP COMMUNICATION BETWEEN CONCERNED MINISTRIES AND LAYING A BASIS FOR

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BETTER NATIONAL COORDINATION.

6. SUMMING UP, THE CHAIRMAN CONCLUDED THAT THE PRESENT STATUS OF ANALYSIS INCAPITALS WAS NOT A ROSY PICTURE, BUT AVENUES MAY NOW BE OPENING TOWARD A LABOR-SAVING COLLABORATION AMONG GENEVA GROUP CAPITALS AS NATIONAL EFFORTS AT PROGRAM ANALYSES PROCEED WITH A SHARING OF THE RESULTS.

7. CANADIAN PAPERS. THE CANADIAN PAPER DISTRIBUTED AT THE CONSULTATIVE LEVEL MEETING WAS APPLAUSED BY ALL, AND A FOLLOW-UP US PAPER WHICH WAS CIRCULATED ON THE BASIS OF STATE 119089 WAS RECEIVED WITH INTEREST (BUT RESERVATION UNTIL GUIDANCE FROM CAPITALS COULD BE OBTAINED). ATTENTION WAS CAUGHT BY THE CONCEPT OF "PRODUCTIVITY INCREASES" IN THE OPERATIONS OF INTERNATIONAL SECRETARIATS. IT WAS AGREED THAT GENEVA GROUP WOULD PURSUE THE LEADS OPENED BY THE CANADIAN CONCEPTS IN FURTHER MEETINGS WHICH WERE ARRANGED (PARA 11 BELOW).

8. OTHER BUSINESS. THE MISSION WILL BE REPORTING SEPARATELY UPON PROBES TOWARD INCORPORATING TECHNICAL COOPERATION IN THE REGULAR BUDGETS OF ILO AND ITU. THESE WERE REVIEWED BRIEFLY AT THE MEETING WITH AGREEMENT TO

MEET SUBSEQUENTLY ON THE ILO PROBLEM AND AN UNDERTAKING BY MISSIONS TO CONSULT WITH ITU DELEGATIONS ON THE ITU PROBLEM. UPON REQUEST WE EXPLAINED THE US INITIATIVE ON THE PROBLEM IN FAO, DRAWING UPON STATE 101957 TO DO SO.

9. COMMENT. WHILE THE GENEVA GROUP (GENERAL) WAS UNABLE TO ARRIVE AT UNAMINITY AT THIS MEETING ON INDICATIVE TARGET FIGURES, THE QUESTION REMAINS OPEN (AND IT IS INTERESTING THE EXTENT TO WHICH THE PRESENT GENEVA GROUP INITIATIVE HAS GATHERED ITS OWN MOMENTUM KEEPING THE QUESTION STILL OPEN). THE NETHERLANDS AND SWEDEN ARE DEFENSIVE ABOUT THEIR POSITIONS, AND APPEAR TO BE

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INCREASINGLY LESS SURE OF THE VALIDITY OF THEIR POSITIONS AS THE FACTS EMERGE. INDEED, AS THE LIDS ARE LIFTED OFF "PROGRAMS" AND "ACTIVITIES" WITHIN THE PROGRAM BUDGET STRUCTURES OF THESE SPECIALIZED AGENCIES (BETTER ILLUMINATING WHAT ACTUALLY IS BEING FUNDED) ARGUMENTS BEGIN TO COALESCE OR DISSOLVE AROUND NEWLY EMERGENT FACTS. THE GENEVA GROUP (GENERAL) HAD DIFFICULTY ON THE BASIS OF THE REPORTS AVAILABLE IN DRAWING TOGETHER THE EXPERIENCES IN PARIS AND ROME WITH THE INDICATIVE TARGET FIGURE EXERCISE, AND US RETICENCE ABOUT ADDRESSING ILO AT THIS STAGE PRESENTED A FURTHER COMPLICATION IN TRYING TO ACHIEVE A COMPREHENSIVE EXCHANGE ON THIS QUESTION.

10. THE INDICATIVE TARGET FIGURE EXERCISE IS HAVING THE ADVANTAGE WITHIN GENEVA GROUP CIRCLES OF POINTING UP THE DEGREE TO WHICH THE AVERSIONS EXPRESSED BY FOREIGN AND FINNCE MINISTRIES TO BUDGET INCREASES ARE UNCOORDINATED NATIONALLY, AND OFTEN DO NOT ACCORD WITH VIEWS HELD IN THE SUBSTANTIVELY MORE RELEVANT SECTORS OF GENEVA GROUP GOVERNMENTS. IT WOULD APPEAR THAT EVEN IN THESE SECTORS, HOWEVER, THE PROGRAMS WHICH ARE BEING FUNDED OFTEN ARE COMPREHENDED ONLY IN THE FUZZIEST FASHION. THERE WERE SIGNS IN THE INTERVENTIONS MADE AT THE MEETING THAT THE PRESENT EFFORT HAS HAD THE EFFECT OF STIMULATING THE BEGINNINGS OF BETTER COORDINATION IN CAPITALS. ENC COMMENT.

11. FURTHER MEETINGS. IT WAS AGREED AT THE MAY 25 MEETING THAT THERE NEEDS TO BE A FAIRLY FULL SCHEDULE OF FURTHER MEETINGS TO FOLLOW UP UPON THE INFORMATION EXCHANGED (AND THE INDICATIVE TARGET FIGURE QUESTION CAN BE NURSED ALONG AT ANY OF THESE: (A) AS PROVIDED FOR AT THE CONSULTATIVE LEVEL MEETING, THE GENEVA GROUP (GENERAL) WILL MEET IN LATE JUNE OR EARLY JULY ON THE BROAD QUESTION OF TECHNICAL COOPERATION WITHIN REGULAR BUDGETS. (B) A SPECIAL GENEVA GROUP MEETING WILL BE CONVENED MAY 31 TO CONSIDER THE ILO DIRECTOR GENERAL'S

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PROPOSAL ON INCORPORATING TECHNICAL COOPERATION IN THE REGULAR BUDGET OF ILO. (C) INTERESTED GENEVA GROUP REPRESENTATIVES WILL HOLD AN OPEN-ENDED MEETING JUNE 8 TO CONSIDER EXTRACTING A "CHECKLIST" FROM THE CANADIAN PAPER ALONG THE LINES PROPOSED IN STATE 119089 WHICH MIGHT BE APPLICABLE IN INTERNATIONAL ORGANIZATIONS GENERALLY. (D) IT WAS AGREED TO RECOMMEND TO CAPITALS THAT THE GENEVA GROUP CONVENE A MEETING OF EXPERTS DURING THE FIRST HALF OF JULY TO EXAMINE THE CANADIAN PAPER WITH A VIEW TO MAKING CONCRETE PROPOSALS TO SECRETARIES-GENERAL ON THE DATA WHICH SHOULD BE PRESENTED IN SUBSEQUENT DOCUMENTATION THE PRODUCT OF THIS MEETING WOULD BE EXAMINED INITIALLY BY THE CONSULTATIVE LEVEL MEETING IN THE FALL.

12. GUIDANCE REQUESTED: REQUEST CONFIRMATION THAT WASHINGTON WOULD BE PREPARED TO SEND EXPERT REPRESENTATION TO A 2-3 DAY MEETING IN THE FIRST HALF OF JULY (WHICH WE SUGGEST SHOULD INCLUDE AT LEAST STATE AND OMB REPRESENTATION) TO DEVELOP -- ON THE BASIS OF THE CANADIAN PAPER, THE US SUBMISSION (STATE 119089) AND REACTIONS TO THESE -- PROPOSALS TO PLACE BEFORE THE CONSULTATIVE LEVEL MEETING IN THE FALL. SORENSEN

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**Type:** TE  
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